

# EXHIBIT D

Comp. Life III

## POLICY SPECIFICATIONS

PROCESS DATE 06/15/88

## INSURED

MARK M. SENTRY

MALE AGE 35

## POLICY DATE

JUNE 15, 1988

POLICY NUMBER

12-34567A

## MONTHLY POLICY DAY

01

## BASIC PLAN OF INSURANCE

FLEXIBLE PREMIUM

ADJUSTABLE LIFE INSURANCE

## DEATH BENEFIT OPTION

1

SPECIFIED AMOUNT INCLUDES CASH VALUE

## INITIAL PREMIUM

\$ 1,000.00

## SCHEDULED PREMIUM

\$ 1,000.00

MODE ANNUALLY

## SCHEDULE OF POLICY BENEFITS

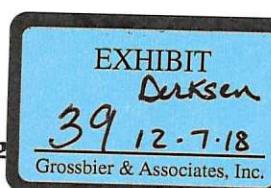
INITIAL SPECIFIED AMOUNT	\$ 100,000.00	EFFECTIVE DATE	MORTALITY CLASS
		POLICY DATE	STANDARD NON-SMOKER

RIDERS	MONTHLY COST OF INSURANCE	YEARS PAYABLE	MATURITY/ EXPIRY DATE
--------	------------------------------	------------------	--------------------------

\* NOTE - IT IS POSSIBLE FOR BENEFITS TO END PRIOR TO THIS DATE WHEN EITHER NO PREMIUMS ARE PAID AFTER THE INITIAL PREMIUM, OR ADDITIONAL PREMIUMS AND CREDITED INTEREST ARE INSUFFICIENT TO CONTINUE THE BENEFIT TO SUCH DATE. REFER TO THE STATEMENT OF POLICY COST AND BENEFIT INFORMATION FOR AN ILLUSTRATION OF PROJECTED POLICY VALUES AND EXPIRATION DATES BASED ON CURRENT AND GUARANTEED FACTORS.

380-1500

PAGE 1 OF 2



Sentry000215

**POLICY SPECIFICATIONS (CONTINUED)**

<b>MONTHLY NO-LAPSE PREMIUM</b>	\$	<b>47.40</b>
<b>NO-LAPSE-PERIOD</b>	6-15-88	TO 6-15-93
<b>FULL SURRENDER CHARGE</b>	\$	<b>1,664.00</b>

**MAXIMUM PREMIUM LIMITATIONS**

<b>GUIDELINE SINGLE PREMIUM</b>	\$	<b>13,670.64</b>
<b>GUIDELINE ANNUAL PREMIUM</b>	\$	<b>1,048.51</b>

**THE TOTAL PREMIUMS PAID CANNOT EXCEED THE GREATER OF THE GUIDELINE SINGLE PREMIUM OR THE SUM OF THE GUIDELINE ANNUAL PREMIUMS. FOR MORE DETAILED INFORMATION, PLEASE REFER TO THE MAXIMUM PREMIUM LIMITATION PROVISION.**

**FOR A MORE DETAILED EXPLANATION OF THE MONTHLY NO-LAPSE PREMIUM AND THE NO-LAPSE PERIOD, PLEASE REFER TO THE NO-LAPSE CONDITIONS PROVISION. FOR AN EXPLANATION OF THE FULL SURRENDER CHARGE, PLEASE REFER TO THE FULL SURRENDER CHARGE PROVISION.**

**AN ADMINISTRATIVE FEE OF \$5.00 IS DEDUCTED EACH MONTH FROM THE CASH VALUE. REFER TO THE MONTHLY DEDUCTION AND COST OF INSURANCE PROVISIONS.**



**Sentry Life  
Insurance Compan**  
(A Stock Company)  
1800 North Point Drive  
Stevens Point, Wisconsin 54481



**Flexible Premium  
Adjustable  
Life Insurance  
Policy**

Plain Talk®

**Flexible Premium  
Adjustable  
Life Insurance  
Policy**

Plain Talk®

S P E



**Sentry Life  
Insurance Company**

380-1500

S3503-88

**List of  
Policy  
Provisions**

<b>General Provisions</b>	
Insuring Agreement.....	3
Contract.....	3
Application.....	3
Owner.....	3
Contingent Owner.....	3
Change of Owner or Contingent Owner.....	3
Collateral Assignment.....	3
Beneficiary.....	4
Change of Beneficiary.....	4
Incontestability.....	4
Suicide Exclusion.....	4
Policy Proceeds.....	4
Maturity Date.....	4
Misstatement of Age or Sex.....	5
Effective Date of Coverage.....	5
Policy Change.....	5
Annual Report.....	5
No Dividends.....	5
Projections of Benefits/Values.....	5
Calculations.....	5
Termination.....	6
<b>Premium Provisions</b>	
Initial Premium.....	6
Scheduled Premiums.....	6
Unscheduled Premiums.....	6
Maximum Premium Limitation.....	7
No-Lapse Conditions.....	7
Grace Period.....	7
Reinstatement.....	8
<b>Insurance Coverage Provisions</b>	
Death Benefit.....	8
Change of Death Benefit Option.....	9
Changes in Specified Amount.....	10
<b>Nonforfeiture Provisions</b>	
Cash Value.....	10
Interest Rate.....	11
Monthly Deduction.....	11
Cost of Insurance.....	11
Mortality Charge.....	12
Continuation of Insurance.....	12

Nonforfeiture Provisions (continued)	
Partial Surrender.....	12
Full Surrender Charge.....	13
Full Surrender Value.....	13
Surrender Requirements.....	14
Policy Loan Provisions	
Policy Loans.....	14
Loan Interest.....	14
Repayment .....	14
Optional Settlement Provisions	
Optional Settlement Plans.....	14
Provisions of Optional Settlement Plans.....	15
Optional Settlement Plan Tables.....	16
Table of Guaranteed Maximum Mortality Rates.....	17

**READ YOUR POLICY CAREFULLY  
IT IS A LEGAL CONTRACT BETWEEN YOU AND US**

## GENERAL PROVISIONS

**Insuring Agreement** — We will pay the *beneficiary* the death benefit subject to the terms of this policy, when we receive due proof that the *insured* died prior to the *maturity date*, and while this policy was *in effect*.

We will pay you the cash value, less any *indebtedness*, if the *insured* is living on the *maturity date* and this policy is still *in effect*.

**Contract** — We have issued this policy in consideration of the required initial premium payment and the application. The policy, with all its pages and cover, the attached copies of the application, any supplemental applications and any attached amendments or riders form the entire contract.

No agent, nor anyone other than one of our officers, has the power to change this contract or waive any of our rights or requirements.

**Application** — In issuing this policy, we have relied on statements in the application. All statements in the application, and any supplemental applications, are assumed to be true and complete to the best of the knowledge and belief of the person making them. No statement will be used by us to void the policy or deny a claim unless that statement is a material misrepresentation and is in the application or supplemental applications.

**Owner** — The owner is the *insured*, unless otherwise specified in the application. You may exercise all policy rights and privileges, while the *insured* is living, without the consent of any revocable *beneficiary*.

**Contingent Owner** — If you are not the *insured*, you may name a contingent owner. If you die before the *insured*, the contingent owner named in the application will become the owner and will possess all the rights of an owner. If the contingent owner is dead, or if no contingent owner has been named at your death, your rights as owner will go to your estate.

**Change of Owner or Contingent Owner** — You may change the owner or contingent owner of this policy during the *insured's* lifetime. The change requires satisfactory written notice to us. After we record it, the change is effective from the date you signed the notice. The *insured* does not have to be living when we record a change of owner for it to be effective. You do not have to be living when we record a change of contingent owner for it to be effective. We will not be responsible for any payment we make or other action we take before we record any change.

**Collateral Assignment** — You may assign this policy as collateral on a form provided by us. We are not responsible for the validity or effect of any collateral assignment. The interest of any revocable *beneficiary* will be subject to the terms of the assignment. We will not be responsible for knowledge of any assignment until we record your written notice to us.

**Beneficiary** — The beneficiary of this policy is named in the application. If there is no named beneficiary when the *insured* dies, we will pay the death benefit to you or your estate. If any beneficiary dies at the same time or within ten days of the *insured* or is disqualified by state law, the death benefit will be paid as though that beneficiary died before the *insured*.

**Change of Beneficiary** — You may change the beneficiary during the *insured*'s lifetime. The change requires satisfactory written notice to us. After we record it, the change is effective from the date you signed the notice. The *insured* does not have to be living at the time we record the change for it to be effective. We will not be responsible for any payment we make or other action we take before we record the change.

**Incontestability** — Except for failure to pay premiums, we will not contest the validity of this policy after it has been *in effect* during the *insured*'s lifetime for two years from the *policy date*.

This Incontestability provision will not apply to any riders attached to this policy.

Any increase in the *specified amount* after the *policy date* will be incontestable only after such increase has been *in effect* during the *insured*'s lifetime for two years following the effective date of such increase.

**Suicide Exclusion** — If the *insured* commits suicide within two years from the *policy date*, whether sane or insane, our liability will be limited to the premiums paid prior to the *insured*'s death, less any *indebtedness*, less any partial surrenders and less any partial surrender charges.

If the *insured* commits suicide, whether sane or insane, within two years from the effective date of any increase in *specified amount*, our liability with respect to such increase will be limited to the cost of insurance for such increase.

**Policy Proceeds** — Policy proceeds means the amount payable under this policy on the earliest of the following:

- 1) the *maturity date*;
- 2) full surrender of the policy; or
- 3) death of the *insured*.

On the *maturity date*, the policy proceeds will be the cash value less any *indebtedness*. If the policy is surrendered, the policy proceeds will be the surrender value (as described in the Full Surrender Value provision). At the *insured*'s death, the policy proceeds will be the death benefit (as described in the Death Benefit provision).

**Maturity Date** — The *maturity date* is shown on the Policy Specifications page. It is the policy anniversary on or next following the *insured*'s 95th birthday.

**Misstatement of Age or Sex** — If there is a misstatement of age or sex in the policy, the amount of the *specified amount* and death benefit will be adjusted. The adjusted *specified amount* and death benefit will be that which would be purchased by the most recent mortality charge at the correct age or sex.

If the misstatement of age or sex is discovered other than at the time of death, the adjusted *specified amount* will be used in the determination of future death benefits and cash values. Future mortality charges will be based on the correct age or sex and the adjusted *specified amount*.

**Effective Date of Coverage** — The effective date of coverage under this policy is as follows:

- 1) The *policy date* is the effective date for all coverage provided as a result of the original application. This date is shown on the Policy Specifications page.
- 2) The effective date for any increase or addition to coverage will be the *monthly policy day* on or next following the date we approve your application for the increase or addition. This date will be shown on a Policy Amendment.

**Policy Change** — If any change in the policy is made, we will issue a Policy Amendment.

**Annual Report** — At least once a year, we will send you a report which shows the death benefit, current cash value, surrender value, interest credited, premiums paid, partial surrenders and charges deducted since the last report, loan activity and status, and any other required information.

**No Dividends** — This is a nonparticipating policy. It does not pay dividends and will not share in our profit or surplus.

**Projections of Benefits/Values** — You may request a projection of illustrative future death benefits and policy values at any time. Your request to us must be in writing. We may charge a service fee up to \$25 for this projection. The illustration will be based on:

- 1) assumptions as to the *specified amount* and future premium payment, as you may specify; and
- 2) other assumptions as are necessary and agreed upon by you and us.

**Calculations** — Guaranteed surrender values are based on the 1980 Commissioners Standard Ordinary Smoker or Nonsmoker Mortality Table, Age Last Birthday, with interest at an effective annual rate of 5%. A detailed statement of the method of calculating surrender values under this policy has been filed with the Insurance Department of the State in which this policy is delivered. Surrender values under this policy are not less than the minimum required on the *policy date* by the state in which this policy is delivered.

**Termination** — All coverage under this policy will terminate when any one of the following events occur:

- 1) you surrender the policy;
- 2) the *insured* dies;
- 3) the policy grace period ends;
- 4) the policy reaches the *maturity date*; or
- 5) *indebtedness* causes the surrender value to equal zero or become negative.

## **PREMIUM PROVISIONS**

**Initial Premium** — The initial premium is due on the *policy date* and is payable to us in advance. The initial premium is shown on the Policy Specifications page.

**Scheduled Premiums** — Scheduled premium payments are payable to us or our agent on or before the due date. Scheduled premium payments may be made annually, semiannually, quarterly or by automatic bank check. Other modes of payment will be accepted subject to our requirements. The scheduled premium payments are subject to the following minimum amounts, unless our then current rules specify lower amounts:

<u>Mode of Payment</u>	<u>Scheduled Premium Minimum Amount</u>
Annual	\$200
Semiannual	125
Quarterly	75
Automatic Bank Check	15

You may change the frequency and amount of scheduled premiums by sending us a written notice. We reserve the right to limit the amount of any increase of the scheduled premium.

Any premium payment which exceeds the scheduled premium shown on the Policy Specifications page will be considered an unscheduled premium subject to the following provision.

**Unscheduled Premiums** — You may make unscheduled premium payments of at least \$50 at any time prior to the *maturity date*, unless our then current rules specify a lower amount. We reserve the right to limit the frequency and amount of unscheduled premium payments.

**Maximum Premium Limitation** — In order to conform to requirements of the Internal Revenue Code, we will limit the total amount of premiums, both scheduled and unscheduled, that may be paid during each policy year. The applicable maximum premium limitation is set forth on the Policy Specifications page or any subsequent Policy Amendment. Because the maximum premium limitation is in part dependent on the *specified amount* for each policy, changes in the *specified amount* may affect this limitation. In the event that a premium is paid that exceeds the maximum premium limitation, we will accept only the portion of the premium up to the maximum limitation and return the excess to you. Thereafter, no additional premiums will be accepted until allowed by the maximum premium limitation set forth in the policy.

**No-Lapse Conditions** — This policy will not lapse as long as its surrender value is large enough to cover each monthly deduction when due. Even if this condition is not met, this policy will not lapse during a no-lapse period if the applicable conditions described below are met.

The initial no-lapse period is a five-year period that starts on the day of issue. A new no-lapse period is a five-year period that starts on an increase date. An increase date is a monthly policy date on which the *specified amount* is increased. A new no-lapse period supersedes any existing no-lapse period.

The policy will not lapse during a no-lapse period if the accumulated premiums that have been paid as of each monthly date since the start of the no-lapse period are not less than (1) times (2) plus (3) plus (4), where:

- (1) is the monthly no-lapse premium shown on the Policy Specifications page, or the most recent Policy Amendment, if any;
- (2) is the number of monthly dates which have occurred starting with the monthly date at the beginning of the no-lapse period;
- (3) is the increase in *indebtedness* during the no-lapse period; and
- (4) is the amount of cash value surrendered during the no-lapse period.

If the *insured* is receiving disability benefits under a rider attached to this policy, any existing no-lapse period will be suspended on the monthly policy date following the start of disability. Such no-lapse period will resume on the monthly policy date following the end of disability.

**Grace Period** — If the surrender value is not sufficient to cover the monthly deduction when due, a grace period of 61 days will be allowed for the payment of a premium sufficient to cover the monthly deduction. We will mail notice of such premium due to the last known address we have recorded for you at least 30 days prior to the end of the grace period. The policy will continue to be in effect during this grace period. If the *insured* dies during the grace period, we will deduct any monthly deductions that are due from the policy proceeds. If the required premium is still unpaid at the end of the grace period, the premium is in default and all coverage will terminate without value.

If a no-lapse period is *in effect*, a 61 day grace period will go into effect on the *monthly policy day* on which:

- (1) the surrender value is not sufficient to cover the monthly deduction when due; and
- (2) the applicable no-lapse conditions are not met.

During the no-lapse period, if a premium sufficient to meet the monthly no-lapse conditions is still unpaid at the end of the grace period, the premium is in default and all coverage will terminate without value.

**Reinstatement** — After a premium default, you may request that the policy be put back *in effect*. We will reinstate the policy on the following conditions:

- (1) your request is in writing and within three years from the date of premium default;
- (2) we receive proof satisfactory to us that the *insured* is still insurable; and
- (3) you pay a minimum premium equal to the greater of (A) or (B), where:
  - (A) is a premium sufficient to keep the policy *in effect* for two *policy months*; and
  - (B) is a premium sufficient to meet the no-lapse conditions.

The effective date of a reinstated policy will be the *monthly policy day* on or next following the date we approve your application for reinstatement.

Except for failure to pay premiums, we will not contest the validity of a reinstated policy after it has been *in effect* during the *insured's* lifetime for two years from the date of reinstatement.

Any increase in the *specified amount* after the date of reinstatement will be incontestable only after such increase has been *in effect* during the *insured's* lifetime for two years following the effective date of such increase.

## **INSURANCE COVERAGE PROVISIONS**

**Death Benefit** — Subject to the terms of this policy, the death benefit will be as follows:

**Option 1** — If Death Benefit Option 1 is shown on the Policy Specifications page, the *specified amount* includes the cash value. The benefit will equal the greater of (A) or (B), where:

- A) is the *specified amount* on the date of death; and
- B) is an amount calculated as (1) multiplied by (2), where:

- (1) is the cash value on the date of death; and
- (2) is the applicable percentage shown in the Table of Cash Value Corridor Percentages and is based on the *insured's* age on the date of death.

Option 2 — If Death Benefit Option 2 is shown on the Policy Specifications page, the *specified amount* is in addition to the cash value. The death benefit will equal the greater of (A) or (B), where:

- A) is the *specified amount* plus the cash value on the date of death; and
- B) is an amount calculated as (1) multiplied by (2), where:
  - (1) is the cash value on the date of death; and
  - (2) is the applicable percentage shown in the Table of Cash Value Corridor Percentages and is based on the *insured's age* on the date of death.

Table of Cash Value Corridor Percentages

<u>Age</u>	<u>%</u>	<u>Age</u>	<u>%</u>	<u>Age</u>	<u>%</u>
40 or less	260	55	150	70	115
41	243	56	146	71	113
42	236	57	142	72	111
43	229	58	138	73	109
44	222	59	134	74	107
45	215	60	130	75	105
46	209	61	128	76	105
47	203	62	126	77	105
48	197	63	124	78	105
49	191	64	122	79-90	105
50	185	65	120	91	104
51	178	66	119	92	103
52	171	67	118	93	102
53	164	68	117	94	101
54	157	69	116	95	100

The death benefit will be reduced by the amount of any *indebtedness* against this policy on the date of death.

**Change of Death Benefit Option** — You may change the Death Benefit Option *in effect* by sending us a written request. Upon our acceptance, the effective date of the change will be the *monthly policy day* following receipt of the request. Such a change may result in a new *specified amount* and may be subject to evidence of insurability satisfactory to us before the change will be made.

A change from Option 1 to Option 2 will decrease the *specified amount* by the policy's cash value on the effective date of the change.

A change from Option 2 to Option 1 will increase the *specified amount* by the policy's cash value on the effective date of the change.

**Changes in Specified Amount** — The *specified amount* may be increased or decreased upon your written request to us, subject to the following conditions:

- 1) No changes in the *specified amount* may be made in the first policy year;
- 2) The *specified amount* may be changed only one time in any policy year;
- 3) The *specified amount* may not be less than \$50,000, unless our then current administrative rules specify a lower amount;
- 4) Decreases in Specified Amount - Any decrease will take effect on the *monthly policy day* on or next following the date we receive your written request for the decrease. We will not decrease the *specified amount*, if the decrease causes the policy to violate the Maximum Premium Limitation provision. Decreases will be deducted from the most recent increases in *specified amount*, if any, on a last in/first out basis. The effective date of the decreased amount will be shown on a Policy Amendment; and
- 5) Increases in Specified Amount - Any request for an increase must be applied for on a life insurance application. We must also be provided with satisfactory evidence of insurability. Any increase in *specified amount* must be made prior to attained age 76. When we approve the increase, it will take effect on the next *monthly policy day* following our approval. The mortality class and the effective date of the increase in *specified amount* will be shown on a Policy Amendment.

A new surrender charge may be imposed on an increase in *specified amount*. Refer to the Full Surrender Charge provision for details.

## NONFORFEITURE PROVISIONS

**Cash Value** — On the *policy date*, the cash value will be 100% of the initial premium payment.

On each *monthly policy day*, the cash value will be calculated as (1) minus (2), plus (3), plus (4), minus (5), minus (6), where:

- (1) is the cash value on the previous *monthly policy day*;
- (2) is the monthly deduction for the previous *policy month*;
- (3) is one *policy month*'s interest on the difference between (1) and (2);
- (4) is 100% of all premiums received for the policy since the previous *monthly policy day*, plus interest from the date we received your premium payment;
- (5) is the amount of any partial surrender made on the *monthly policy day*; and
- (6) is the amount of any partial surrender charges or fees made on the *monthly policy day*.

On any day between *monthly policy days*, the cash value will be calculated as (1) minus (2), plus (3), plus (4), where:

- (1) is the cash value on the preceding *monthly policy day*;
- (2) is the monthly deduction for that *policy month*;
- (3) is interest on the difference between (1) and (2) for the number of days since the preceding *monthly policy day*; and
- (4) is 100% of all premium received since the preceding *monthly policy day*, plus interest from the date we received your premium payment.

**Interest Rate** — The guaranteed interest rate applied in the calculation of cash values is applied on a daily basis, at a daily rate, which is equivalent to an effective annual rate of 5%.

We may apply interest in addition to the guaranteed rate in calculating cash values at such increased rates and in such manner as we may determine. Interest credited on that part of the cash value which equals any *indebtedness* against this policy will be at a rate which is lower than the rate applied to the remainder of the cash value but will never be less than the guaranteed interest rate.

**Monthly Deduction** — The monthly deduction for a *policy month* will be calculated as (1) plus (2), where:

- (1) is the cost of insurance for this policy and any additional benefits provided by rider for the *policy month*; and
- (2) is a \$5 administrative fee.

**Cost of Insurance** — The cost of insurance for the policy is determined on a *policy month* basis. Such cost is calculated as (1) multiplied by the result of (2) minus (3), where:

- (1) is the mortality charge (as described below);
- (2) is the death benefit at the beginning of the *policy month* divided by 1.0040741; and
- (3) is the cash value at the beginning of the *policy month*, less the administrative fee for that *policy month* and less the cost of insurance for any riders.

The cost of insurance for any rider is calculated as shown in the Cost of Insurance Provision of the rider.

**Mortality Charge** — The monthly mortality charge is based on our current mortality rates. The current mortality rates for the policy are based on the insured's attained age, sex and mortality class. We will determine the current mortality rates based on our expectations as to future mortality experience. Any change in mortality rates will apply to all insureds of the same mortality class. In no case will mortality rates for an insured in a standard mortality class ever be greater than those shown in the Table of Guaranteed Maximum Mortality Rates in this policy. Such guaranteed rates are based on the 1980 Commissioners Standard Ordinary Smoker or Nonsmoker Mortality Table, Age Last Birthday. A detailed statement of the formulas used to calculate the monthly mortality charge has been filed with the insurance Department of the State where this policy is delivered.

**Continuation of Insurance** — If you stop paying premiums, this policy will remain in effect until the surrender value is insufficient to cover the monthly deduction, as provided in the Grace Period provision.

This provision will not continue the policy beyond the maturity date or continue any rider beyond its termination date, as provided in the rider.

**Partial Surrender** — You may request a partial surrender of this policy upon written request to us, subject to the terms of this and the Surrender Requirements provision.

A partial surrender charge may be incurred on each partial surrender. The partial surrender charge will be calculated as the result of (1) minus (2) multiplied by the result of (3) divided by (4), where:

- (1) is the full surrender charge on the date of the partial surrender;
- (2) is the sum of all partial surrender charges deducted previously;
- (3) is the amount of the partial surrender; and
- (4) is the surrender value on the date of the partial surrender.

If the sum of all partial surrender charges, deducted previously, exceeds the full surrender charge, there will be no partial surrender charge.

If there is no partial surrender charge as calculated above, then a partial surrender fee of \$25 will be incurred on each partial surrender.

The cash value and death benefit will be reduced by the sum of any partial surrenders, partial surrender charges and partial surrender fees. If the policy is on Death Benefit Option 1, the specified amount will also decrease by the sum of any partial surrenders, partial surrender charges and partial surrender fees. A decrease in specified amount will be deducted from the most recent increases in specified amount, if any, on a last in/first out basis and shown on a Policy Amendment. The specified amount remaining after a partial surrender must be at least \$10,000. We reserve the right to limit the number of partial surrenders made in a policy year.

The surrender value remaining after any partial surrender must be at least \$300, unless our then current rules specify a lower amount.

**Full Surrender Charge** — The full surrender charge is calculated as (1) multiplied by (2), plus (3) multiplied by (2), where:

- (1) is the full surrender charge amount shown on the Policy Specifications page;
- (2) is the applicable percentage shown in the following table where Year is the number of full policy years from the original *policy date* or from the policy anniversary on or preceding the date of each increase in *specified amount* to the date of surrender; and

<u>Year</u>	<u>%</u>	<u>Year</u>	<u>%</u>
0	100	8	80
1	100	9	75
2	100	10	60
3	100	11	45
4	100	12	30
5	95	13	15
6	90	14+	0
7	85		

- (3) is the additional surrender charge, shown on any Policy Amendments, that may occur following each increase in *specified amount*. An additional surrender charge would apply only to any excess of the new *specified amount* over the previous high *specified amount*. A detailed statement of the method of calculating surrender charges has been filed with the Insurance Department of the State where this policy is delivered.

A decrease in *specified amount* will not change any existing surrender charges.

We will waive any surrender charges if the policy has been *in effect* for 10 years and any Optional Settlement Plan is elected with equal monthly guaranteed payments over a period of at least five years.

**Full Surrender Value** — You may surrender this policy at anytime for its full surrender value upon written request to us, subject to the terms of this and the Surrender Requirements Provision. If you make a full surrender, the policy will terminate.

The full surrender value will be calculated as (1) minus (2), where:

- (1) is the cash value on the date of surrender, less any *indebtedness* against this policy; and
- (2) is the full surrender charge on the date of surrender, less the sum of all partial surrender charges deducted previously.

If the sum of all partial surrender charges exceeds the full surrender charge, there will be no full surrender charge.

**Surrender Requirements** — Your request for a partial or full surrender of this policy is subject to the following requirements:

- 1) it must be effective on a *monthly policy day*;
- 2) it must be made during the *insured's lifetime*;
- 3) it must be made before the *maturity date*; and
- 4) it must be made while the policy is *in effect*.

We reserve the right to defer payment of the amount of any partial or full surrender for up to six months from the date we receive your request for a surrender, unless such partial surrender or full surrender is to be applied to the payment of premiums on policies with us.

## **POLICY LOAN PROVISIONS**

**Policy Loans** — You may borrow any existing surrender value under this policy at any time while the policy is *in effect*. Your request to us for a policy loan must be in writing. The loan will be made on the sole security of this policy and proper assignment of the policy to us.

We reserve the right to defer making a policy loan for up to six months from the date we receive your written request for the loan, unless such policy loan is to be applied to the payment of premiums on policies with us.

**Loan Interest** — We will charge an annual effective interest rate of 8% on all policy loans. Interest will be due at the end of each policy year. Unpaid interest will be added to the existing *indebtedness* and will be charged interest at the same rate.

**Repayment** — *Indebtedness* may be repaid in part or in full at any time while this policy is *in effect*. If not repaid, it will be deducted from the policy proceeds.

If the *indebtedness* causes the surrender value to equal zero or become negative, the policy will terminate. We will mail notice to you and any collateral assignee in our records at the last known address we have for you and the assignee at least 30 days prior to termination.

## **OPTIONAL SETTLEMENT PROVISIONS**

**Optional Settlement Plans** — Any policy proceeds payable under this policy will be paid in one sum, unless one of the following plans is chosen. While the *insured* is living, you may request one of the plans. If no plan has been requested at the *insured's* death, the *beneficiary* may request a plan. The request requires satisfactory written notice to us. After we record it, the request is effective from the date the notice was signed. We will not be responsible for any payment we make or other action we take before we record your request.

**Plan 1: Proceeds Held At Interest** — We will hold the policy proceeds and make payments at the times and in the amount agreed upon, as long as any policy proceeds remain. We will credit the policy proceeds we hold with an annual effective interest rate of at least 4%.

When the *payee* dies, any remaining policy proceeds will be paid to his or her estate, unless otherwise specified.

**Plan 2: Lifetime Payments With A Guarantee** — We will make monthly payments for as long as the payee lives. A guaranteed number of payments may be chosen. If the payee dies before the guaranteed number of payments has been made, we will continue payments to his or her estate, unless otherwise specified, until the guaranteed number of payments has been made.

Guaranteed amounts of monthly payments for each plan are shown in the Optional Settlement Plan Tables. The minimum amount we will hold under any settlement plan is \$5,000. The minimum payment is \$50. We will consider special requests.

**Provisions of Optional Settlement Plans** — Proof of age and continued survival will be required from the payee.

The policy proceeds under one of the settlement plans may not be assigned or transferred.

The policy proceeds we hold, as well as any payments we make, are protected from the claims of any payee's creditors to the extent permitted by law.

## Optional Settlement Plan Tables

### PLAN 1

Guaranteed amounts of level monthly payments per \$1,000 of policy proceeds which use up the policy proceeds.

No. of Yrs. Payable	Mthly. Pymts.								
1	\$84.84	7	\$13.59	13	\$8.17	19	\$6.21	25	\$5.22
2	43.25	8	12.12	14	7.72	20	6.00	26	5.10
3	29.40	9	10.97	15	7.34	21	5.81	27	5.00
4	22.47	10	10.06	16	7.00	22	5.64	28	4.90
5	18.32	11	9.31	17	6.71	23	5.49	29	4.80
6	15.56	12	8.69	18	6.44	24	5.35	30	4.72

### PLAN 2

The Table is based on the payee's adjusted age. To find the adjusted age, subtract one year from the payee's actual age on the date of the first payment for each 7 years since January 1, 1984. The Table shows the Guaranteed amounts of level monthly payments per \$1,000 of policy proceeds.

Adjusted Age of Payee	MALE		FEMALE		Adjusted Age of Payee	MALE		FEMALE	
	10 Year Guar.	20 Year Guar.	10 Year Guar.	20 Year Guar.		10 Year Guar.	20 Year Guar.	10 Year Guar.	20 Year Guar.
25	\$3.68	\$3.67	\$3.58	\$3.57	50	\$4.67	\$4.53	\$4.33	\$4.26
26	3.70	3.69	3.59	3.59	51	4.74	4.59	4.38	4.31
27	3.72	3.71	3.61	3.60	52	4.82	4.64	4.44	4.36
28	3.75	3.73	3.62	3.62	53	4.90	4.70	4.50	4.41
29	3.77	3.75	3.64	3.63	54	4.98	4.76	4.57	4.47
30	3.79	3.78	3.66	3.65	55	5.06	4.82	4.64	4.53
31	3.82	3.80	3.68	3.67	56	5.16	4.89	4.72	4.59
32	3.85	3.83	3.70	3.69	57	5.25	4.95	4.79	4.65
33	3.88	3.85	3.72	3.71	58	5.36	5.01	4.88	4.71
34	3.91	3.88	3.74	3.73	59	5.47	5.08	4.97	4.78
35	3.94	3.91	3.77	3.75	60	5.58	5.15	5.06	4.85
36	3.97	3.94	3.79	3.78	61	5.70	5.21	5.16	4.92
37	4.01	3.97	3.82	3.80	62	5.83	5.28	5.26	4.99
38	4.05	4.01	3.84	3.83	63	5.96	5.34	5.38	5.06
39	4.08	4.04	3.87	3.86	64	6.10	5.40	5.50	5.13
40	4.13	4.08	3.91	3.88	65	6.25	5.47	5.62	5.20
41	4.17	4.11	3.94	3.91	66	6.40	5.52	5.75	5.28
42	4.22	4.15	3.97	3.95	67	6.56	5.58	5.89	5.35
43	4.26	4.20	4.01	3.98	68	6.73	5.63	6.04	5.42
44	4.32	4.24	4.05	4.01	69	6.89	5.68	6.20	5.49
45	4.37	4.28	4.09	4.05	70	7.07	5.73	6.37	5.55
46	4.42	4.33	4.13	4.09	71	7.24	5.77	6.54	5.61
47	4.48	4.38	4.18	4.13	72	7.42	5.81	6.72	5.67
48	4.54	4.43	4.22	4.17	73	7.60	5.84	6.91	5.72
49	4.61	4.48	4.27	4.22	74	7.79	5.87	7.10	5.77

**TABLE OF GUARANTEED MAXIMUM MORTALITY RATES  
FEMALE**

**Annual Rate Per \$1,000 of Specified Amount**

Attained Age	Nonsmoker	Smoker	Attained Age	Nonsmoker	Smoker	Attained Age	Nonsmoker	Smoker
0	1.88	1.88	32	1.33	1.71	64	12.89	18.19
1	.84	.84	33	1.38	1.80	65	14.26	19.92
2	.80	.80	34	1.44	1.90	66	15.68	21.68
3	.78	.78	35	1.51	2.01	67	17.13	23.38
4	.77	.77	36	1.61	2.18	68	18.63	25.10
5	.75	.75	37	1.73	2.38	69	20.30	26.97
6	.73	.73	38	1.86	2.61	70	22.26	29.18
7	.71	.71	39	2.00	2.86	71	24.65	31.98
8	.70	.70	40	2.17	3.16	72	27.58	35.41
9	.69	.69	41	2.35	3.48	73	31.09	39.49
10	.68	.68	42	2.53	3.80	74	35.13	44.14
11	.70	.70	43	2.71	4.12	75	39.64	49.22
12	.73	.73	44	2.89	4.44	76	44.52	54.62
13	.77	.77	45	3.09	4.78	77	49.75	60.26
14	.82	.82	46	3.30	5.13	78	55.41	66.22
15	.86	.96	47	3.53	5.49	79	61.68	72.71
16	.90	1.01	48	3.77	5.88	80	68.81	79.98
17	.93	1.06	49	4.04	6.31	81	77.01	88.23
18	.96	1.11	50	4.34	6.77	82	86.46	97.61
19	.99	1.14	51	4.67	7.26	83	97.12	108.44
20	1.01	1.17	52	5.05	7.82	84	108.87	120.19
21	1.03	1.19	53	5.47	8.44	85	121.58	132.65
22	1.04	1.22	54	5.90	9.07	86	135.16	145.75
23	1.06	1.25	55	6.36	9.72	87	149.59	159.35
24	1.08	1.28	56	6.82	10.36	88	164.88	173.52
25	1.10	1.31	57	7.27	10.96	89	181.15	188.25
26	1.13	1.36	58	7.72	11.55	90	198.53	204.58
27	1.15	1.40	59	8.23	12.18	91	217.42	222.16
28	1.18	1.45	60	8.83	12.93	92	238.53	241.66
29	1.22	1.51	61	9.57	13.87	93	263.35	264.56
30	1.25	1.58	62	10.49	15.08	94	295.23	295.23
31	1.29	1.64	63	11.62	16.55			

**TABLE OF GUARANTEED MAXIMUM MORTALITY RATES**  
**MALE**

**Annual Rate Per \$1,000 of Specified Amount**

Attained Age	Nonsmoker	Smoker	Attained Age	Nonsmoker	Smoker	Attained Age	Nonsmoker	Smoker
0	2.63	2.63	32	1.52	2.29	64	20.06	34.69
1	1.03	1.03	33	1.58	2.41	65	22.25	37.90
2	.99	.99	34	1.65	2.55	66	24.62	41.26
3	.97	.97	35	1.73	2.72	67	27.16	44.74
4	.93	.93	36	1.82	2.92	68	29.92	48.39
5	.88	.88	37	1.94	3.17	69	32.98	52.35
6	.83	.83	38	2.07	3.45	70	36.44	56.72
7	.78	.78	39	2.21	3.77	71	40.39	61.63
8	.75	.75	40	2.38	4.15	72	44.95	67.18
9	.74	.74	41	2.56	4.54	73	50.11	73.33
10	.75	.75	42	2.75	4.98	74	55.78	80.07
11	.81	.81	43	2.96	5.46	75	61.84	87.27
12	.92	.92	44	3.19	5.99	76	68.24	94.63
13	1.07	1.07	45	3.45	6.55	77	74.93	102.02
14	1.24	1.24	46	3.73	7.13	78	81.95	109.49
15	1.36	1.76	47	4.03	7.76	79	89.52	117.30
16	1.48	1.96	48	4.36	8.44	80	97.88	125.71
17	1.57	2.10	49	4.72	9.18	81	107.25	134.96
18	1.63	2.21	50	5.13	10.00	82	117.82	145.21
19	1.67	2.28	51	5.60	10.93	83	129.54	156.29
20	1.68	2.32	52	6.14	11.98	84	142.18	167.83
21	1.66	2.32	53	6.76	13.17	85	155.45	179.44
22	1.63	2.28	54	7.45	14.47	86	169.18	190.84
23	1.59	2.24	55	8.22	15.86	87	183.16	202.54
24	1.55	2.18	56	9.06	17.33	88	197.33	214.73
25	1.50	2.11	57	9.95	18.88	89	211.89	226.85
26	1.47	2.07	58	10.94	20.51	90	227.05	239.08
27	1.45	2.05	59	12.05	22.26	91	243.16	251.80
28	1.44	2.05	60	13.29	24.21	92	260.82	266.55
29	1.44	2.08	61	14.67	26.41	93	281.75	285.47
30	1.45	2.13	62	16.26	28.89	94	309.83	311.27
31	1.48	2.20	63	18.06	31.66			

On any day between *monthly policy days*, the cash value will be calculated as (1) minus (2), plus (3), plus (4), where:

- (1) is the cash value on the preceding *monthly policy day*;
- (2) is the *monthly deduction for that policy month*;
- (3) is interest on the difference between (1) and (2) for the number of days since the preceding *monthly policy day*; and
- (4) is 100% of all premium received since the preceding *monthly policy day*, plus interest from the date we received your premium payment.

**Interest Rate** — The guaranteed interest rate applied in the calculation of cash values is applied on a daily basis, at a daily rate, which is equivalent to an effective annual rate of 5%.

We may apply interest in addition to the guaranteed rate in calculating cash values at such increased rates and in such manner as we may determine. Interest credited on that part of the cash value which equals any *indebtedness* against this policy will be at a rate which is lower than the rate applied to the remainder of the cash value but will never be less than the guaranteed interest rate.

**Monthly Deduction** — The monthly deduction for a *policy month* will be calculated as (1) plus (2), where:

- (1) is the cost of insurance for this policy and any additional benefits provided by rider for the *policy month*; and
- (2) is a \$5 administrative fee.

**Cost of Insurance** — The cost of insurance for the policy is determined on a *policy month* basis. Such cost is calculated as (1) multiplied by the result of (2) minus (3), where:

- (1) is the mortality charge (as described below);
- (2) is the death benefit at the beginning of the *policy month* divided by 1.0040741; and
- (3) is the cash value at the beginning of the *policy month*, less the administrative fee for that *policy month* and less the cost of insurance for any riders.

The cost of insurance for any rider is calculated as shown in the *Cost of Insurance Provision of the rider*.

**Mortality Charge** — The monthly mortality charge is based on our current mortality rates. The current mortality rates for the policy are based on the insured's attained age, sex and mortality class. We will determine the current mortality rates based on our expectations as to future mortality experience. Any change in mortality rates will apply to all insureds of the same mortality class. In no case will mortality rates for an insured in a standard mortality class ever be greater than those shown in the Table of Guaranteed Maximum Mortality Rates in this policy. Such guaranteed rates are based on the 1980 Commissioners Standard Ordinary Smoker or Nonsmoker Mortality Table, Age Last Birthday. A detailed statement of the formulas used to calculate the monthly mortality charge has been filed with the Insurance Department of the State where this policy is delivered.

**Continuation of Insurance** — If you stop paying premiums, this policy will remain in effect until the surrender value is insufficient to cover the monthly deduction, as provided in the Grace Period provision.

This provision will not continue the policy beyond the maturity date or continue any rider beyond its termination date, as provided in the rider.

**Partial Surrender** — You may request a partial surrender of this policy upon written request to us, subject to the terms of this and the Surrender Requirements provision.

A partial surrender charge may be incurred on each partial surrender. The partial surrender charge will be calculated as the result of (1) minus (2) multiplied by the result of (3) divided by (4), where:

- (1) is the full surrender charge on the date of the partial surrender;
- (2) is the sum of all partial surrender charges deducted previously;
- (3) is the amount of the partial surrender; and
- (4) is the surrender value on the date of the partial surrender.

If the sum of all partial surrender charges, deducted previously, exceeds the full surrender charge, there will be no partial surrender charge.

If there is no partial surrender charge as calculated above, then a partial surrender fee of \$25 will be incurred on each partial surrender.

The cash value and death benefit will be reduced by the sum of any partial surrenders, partial surrender charges and partial surrender fees. If the policy is on Death Benefit Option 1, the specified amount will also decrease by the sum of any partial surrenders, partial surrender charges and partial surrender fees. A decrease in specified amount will be deducted from the most recent increases in specified amount, if any, on a last in/first out basis and shown on a Policy Amendment. The specified amount remaining after a partial surrender must be at least \$10,000. We reserve the right to limit the number of partial surrenders made in a policy year.

The surrender value remaining after any partial surrender must be at least \$300, unless our then current rules specify a lower amount.